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HULL SEEKS UNITED AMERICAN SUPPORT OF SECURITY CONFERENCE

THE long-awaited preliminary conference of American, British and Soviet representatives which began at Dumbarton Oaks on August 21 is a first step toward a new League of Nations—this time, it is hoped, one that will work. The current meetings, to be followed by similar conversations among the United States, Britain and China, are expected to culminate in a general United Nations conference which will consider the decisions reached by the Big Four and take final action. It is as yet not clear how soon the new world organization may be formed, but Chairman Connally of the Senate Foreign Relations Committee declared on August 16 that the object is to create "a going concern before the end of the war."

There is every indication that the British, Soviet and American governments are in substantial agreement on the kind of international security organization they wish to form. Plans exchanged by the three powers before the current meetings began are said to provide for an executive council, assembly and world court. The assembly is to be an advisory body of all members; while the executive council is to contain the Big Four in a permanent capacity together with other rotating members. It is agreed that each of the Big Four is to have a veto on the use of armed force by the organization. Differences relate to the number of members to be included in the council, the size of the council vote required for military sanctions, and the method of applying sanctions. The last point is particularly important for the United States, in view of the constitutional requirement that a declaration of war must be made by Congress. Another item that may arouse considerable discussion is the Soviet proposal for an international air force to be placed at the disposal of the executive council.

DEWEY ON FOREIGN POLICY. Not least significant is the problem of incorporating the smaller nations in the new world organization. In fact, it was through this issue that the conference was introduced

into the American political arena on August 16 by Governor Dewey. While expressing approval of the discussions and appreciation of the need for world organization and great power unity, the Republican Presidential candidate declared that he had been "deeply disturbed by some of the recent reports concerning the forthcoming conference. These indicate," he said, "that it is planned to subject the nations of the world, great and small, permanently to the coercive power of the four nations holding this conference." Mr. Dewey did not specify the reports he had in mind, nor did he explore possible methods of avoiding such a situation. But he was quickly answered by Secretary of State Hull, who asserted on August 17: "Governor Dewey can rest assured that the fears which he expressed . . . are utterly and completely unfounded." No four-power dictatorship, he said, "is contemplated or has ever been contemplated by this government or, as far as we know, by any of the other governments."

Mr. Hull was no doubt alarmed, for he has worked long and hard to lift foreign policy above the fire and smoke of partisan discussion. His constant objective has been to undo the harm caused abroad by the view that the United States cannot be depended on in world organization because a change of administration might produce a new American withdrawal into the shell of isolationism. In his handling of foreign affairs he has scrupulously avoided any word or act that might imply a narrow Democratic partisanship and has sought to shape an international program that the country as a whole could claim as its own, regardless of party. That he has succeeded in some measure is indicated by Mr. Dewey's swift acceptance of his assurances and by the New York Governor's willingness to send his representative, John Foster Dulles, to confer with the Secretary of State on a nonpartisan basis. But perhaps even more important was the declaration by Republican Senator

Taft on August 19 that he did not expect the proposed peace and security organization to lead to any serious conflict between the Democratic and Republican parties.

FUTURE OF SMALL NATIONS. Time after time the Secretary of State has made it clear that he stands for equal treatment of the small nations and their fullest possible participation in world affairs. Reference was made to this subject by Wendell Willkie on August 20 when, in replying to an invitation from Mr. Dewey to confer with himself and Mr. Dulles, the 1940 Republican Presidential candidate remarked: "For several years I have been deeply concerned about . . . the small nations. . . . I therefore made inquiry about ten days ago of the Washington authorities to determine if our government intended to insist upon the protection of the position of small nations in the forthcoming Dumbarton Oaks conference. I was given strong affirmative assurances. Therefore I had determined to await results before entering into any public discussions." However, since the Hull-Dulles conversations were to be nonpartisan, Mr. Willkie agreed to exchange views with Mr. Dulles, and did so on August 21.

Quite apart from the intentions of the United States and allied governments toward the small nations, it is necessary to realize that a proper status for these countries cannot be assured by international machinery alone. In the old League of Nations the small nations had greater voting power than they are likely to have in the new world organization, but in the prevailing international anarchy of the years between the first and second world wars only the most powerful states actually possessed some measure of initiative in world affairs. The fact must be faced that no genuine protection of the small nations is possible except on the basis of a great power agreement sufficiently strong to prevent the rise of a war situation. Consequently, to conceive of the rights of small countries as being in conflict with the Big

Four is to pose a false conflict. Although many specific problems between the large and small powers remain to be ironed out, the future of such nations as Poland, Yugoslavia, Belgium, Ethiopia and the new Korea can be secure only if Britain, the United States, China and the Soviet Union—France might well be added—are in essential agreement.

UNITY ON ECONOMIC ISSUES. It is apparent that verbal harmony in American discussion of a new League is growing. This is a healthy sign of the increasing unity of the American people on the need for cooperation to avert another war. But it would be an error to suppose at this stage of the political campaign or of American understanding of world affairs that the existence of common or similar formulas is synonymous with agreement on basic, long-range conceptions of the United States' international role. The touchstone of foreign policy today is no longer mere willingness not to oppose a security organization. This issue, once such a serious obstacle, is now largely behind us. It has been replaced by barriers that are equally difficult to surmount.

These new issues involve our attitude toward our allies and their security needs, our willingness to make mutual concessions in the field of tariffs and currency, and our desire to contribute our share of the force needed to make security more than a slogan. To support cooperation with other nations and favor high protective tariffs, to speak of unity and level unreasonable criticism at our allies, to talk of a peaceful world and yet oppose measures required to halt future aggressors in their tracks is to build the shadow of peace without the substance. On all these issues there is room for legitimate disagreement as to methods; but nothing would be more heartening than to see the verbal harmony on general principles that is so evident today extended to a far deeper unity on the economic, as well as the political, methods of making this the last war.

LAWRENCE K. ROSINGER

ITALIANS HOPE FOR ALLIED AID IN FACING ECONOMIC DIFFICULTIES

With the date of German defeat in northern Italy advanced by the successful Allied invasion of southern France, which has outflanked the Gothic line and cut the Nazis' main direct rail and road route along the Riviera coast into the region above the Arno, liberated Italians consider the problems of national rehabilitation increasingly urgent. For the present, of course, Allied control of liberated Italy's food, oil, and such means of communication and production as have survived the war will continue until the Germans are actually driven out of their positions north of Florence. But questions concerning the nation's economic future are now taking precedence in Italian politics over the traditional issues of anti-clericalism and the monarchy.

UNEMPLOYMENT LOOMS LARGE. With Italian factories and cities largely in ruins, the former Axis partner is faced by the prospect of an enormous surplus population for which there appears to be no outlet. Since the Bonomi government has been able to find no alternative to the public works and state-subsidized industries the Fascists set up in an effort to create employment during the twenties and thirties, the régime has proceeded somewhat slowly in combing out the inflated public works Mussolini established and destroying the remnants of the Fascist economy. But in view of the unemployment that would result from more drastic reforms, it seems doubtful that even Bonomi's severest critics, who urge more ruthless destruction of the repudiated

system, would be able to carry out their program if they were in power. At present the Allies are giving temporary relief to the Italians in the form of food and clothing, aid which Count Carlo Sforza, Minister without Portfolio in the Bonomi cabinet, gratefully acknowledged on August 20. But since the Allied Control Commission is concerned solely with temporary measures needed to maintain order in an important military theatre, the Allies have made no effort to help Italy solve its problems of reconstruction.

Although the grim economic outlook and the Italians' inability to devise and agree on methods for coping with it are the chief reasons for the political disunity in liberated Italy, other causes arising from Italy's temporary position as a battleground also contribute to the confusion. Foremost among these are the unsettled status of Allied-Italian relations as long as the armistice terms remain secret and the role of the Bonomi government as a shadow régime under Allied authority. But it should be reiterated that the Italians are divided among themselves not merely because Allied control prevents them from assuming full responsibility for the various programs they advocate but because of basic disagreements on the political road Italy should take toward reconstruction.

SPLINTER PARTIES EMERGE. Italian political confusion has taken the form of an almost endless range of parties and groupings, many of which will undoubtedly be consolidated when elections are finally held. When Mussolini was overthrown on July 25, 1943, six parties claimed to speak in the name of the anti-Fascists. Now, however, even these six parties cannot show a united front and nearly a score of new parties, including such anomalies as Catholic Communists and a democratic union of persons without a party, have appeared and disputed the Bonomi government's claims to represent the Italian people. Among these new groups the most important appear to be the Rightists, who were eliminated from the government when Badoglio resigned on June 6. The campaign to restore the conservatives to power began approximately two months ago, when Premier V. E. Orlando began laying the groundwork for a new pro-monarchist party. On the basis of a platform that calls for a king to check Italian democracy in the interests of greater national stability, Orlando's supporters have been able to

rally numerous liberals, including Benedetto Croce and his followers, as well as conservatives. At present these rightists are attacking the Bonomi cabinet on the ground that it is too far to the left to represent the majority of the Italian people, and are attempting to replace it with a régime that would chart Italy's reconstruction along a more conservative course. In making a bid for power, the conservatives have the support of both Britain and the Vatican, which now appears to be enjoying marked prestige in Italy because of Pope Pius' role in saving Rome. One result of the right's efforts to gain control of Italian affairs has been the increased activity of the Italian Communists and their growth into a strong national party. At present the Communists are conciliatory toward the church and the middle-class, but conservative quarters consider their position too moderate to be sincere and point to the party's autocratic organization as indicative of its real intentions.

HELP FROM ABROAD NEEDED. In this way the stage is slowly being set for a clash between right and left. When, and if, the clash comes it will be far less violent if Italy's future appears more hopeful than it does at present. But the economic prospect can be improved only if the Allies are willing to extend some help to Italy in the painful process of rehabilitation, for the nation will require raw materials, machinery and foreign markets if it is to provide work for the unemployed. Proposals for extending aid to Italy can hardly expect a popular reception among the United Nations, since too many of them have suffered greatly from Italy's partnership with Germany. Moreover, there is justice in the arguments that the Italians are fundamentally responsible for the acts of their former government and that Italy's plight is the result of the disastrous policies of its own Fascist leaders. Yet it is clearly in the interests of long-range European peace that the Allies take some steps toward helping the Italians help themselves in solving the desperate unemployment problem confronting them. If such signs were given that the Allies have plans for the future of Europe that include some provision for the rehabilitation of Italy, the Italians might be expected to show greater confidence in the possibility of carrying on reconstruction by democratic rather than extreme methods from either the right or left.

WINIFRED N. HADSEL

U.S. GOLD BAN MARKS STIFFER POLICY TOWARD ARGENTINA

The United States' suspension of gold shipments to Argentina on August 16 comes as the first item in the long-foreshadowed program of economic sanctions against the Farrell régime. Employing machinery that was prepared six months ago, the Treasury Department took this action as Argentina was completing arrangements for the withdrawal of \$2,000,000 in gold, the latest in a series of monthly shipments which over a period of fifteen months had

reached between \$20,000,000 and \$30,000,000. No less than \$429.5 million in gold stocks and foreign exchange credits are thus blocked for an indefinite period by the Washington order. Argentine credits in the United States are placed in the same situation as its blocked sterling in Britain, with the exception that, as Buenos Aires is careful to point out, the latter arrangement was the result of a voluntary agreement.

FINANCIAL SITUATION PRECARIOUS. Argentina's large reserves of sterling and dollar exchange are the result of an increasingly "favorable" trade balance. In the past year, it has been sending its ships out laden with wheat, cheese, hides and oil for the United Nations and bringing them home practically in ballast, as the Allies have allocated their entire production effort to war needs. A comparison of foreign trade figures for the first five months of this year with the corresponding period in 1943 show that while the 41 per cent increase in total exports is largely attributable to their purchases, Britain and the United States are selling less to Argentina than ever before. With this curtailment of imports during the war period, and the problems of blocked sterling, gold and foreign exchange credits, Argentina faces the spectre of an unhealthily expanding economy. The Treasury Department order will accelerate the inflationary tendency, now barely held in check.

If such financial steps do not suffice to change the policies of Buenos Aires, the United States and Britain may take more drastic measures. The withholding of export permits for vital American farm machinery is probably contemplated. Even more serious would be the failure to renew the meat contract which expires on September 30. Under this arrangement Britain, on behalf of the United Nations, has purchased all of Argentina's exportable beef surplus, or about 700,000 tons, during the past two years at a price which is 80 per cent higher than that received for the greater Argentine meat export in 1939. Non-renewal of the contract would place meat sales on a day-to-day basis, with quantity and price no longer guaranteed. Without even broaching the term "sanctions," therefore, Washington and London may strike at the most important economic factor in Argentine relations with the United Nations.

In the face of these threats to the country's economic existence, the Farrell government is playing for time. With the end of the war in sight, it looks forward to large-scale purchases of raw materials by Europe's devastated countries, some of which, like Norway, may be in a position to negotiate trade contracts immediately. Buenos Aires believes, too, that it holds hostages for the good behavior of the Anglo-American governments, in the shape of their enormous Argentine investments. Proposals have already been made for the nationalization of British railway properties, with an investment value of over a million pounds, using blocked sterling as part payment. In spite of the announcement last week that

expropriation of foreign investments was not contemplated, the fact remains that forced sales of subsidiaries of British and American utilities have taken place. A recent decree revising the Expropriation Law to give the executive more power is added evidence of the intentions of the Farrell-Perón combination. Above all, the shrewd men in the Pink House will undoubtedly try to capitalize on the mutual distrust of the two largest competitors for the Argentine market. This policy is borne out in the pointed tribute to Britain paid by the Minister of Agriculture at the opening of the National Live Stock Show on August 19—and the lack of reference to the United States as one of the partners to the meat agreement.

ANGLO-AMERICAN ACCORD LACKING. It is increasingly apparent that the United States and Britain are not in agreement on the policy to be followed in Argentina. Uncertainty as to the future of their respective commercial interests in that area is perhaps at the bottom of their failure to take common decisive action. Desirous of expanding already existing export markets and encountering new ones, "each country," says the August 6 issue of the *London Economist*, "finds it difficult to avoid suspecting each other's motives." United States businessmen view with concern the presence of high-powered British trade missions in Latin America, whereas the British feel that the pressure exerted on them from America to undertake sanctions in the name of hemispheric solidarity may be a pretext to oust them from their long-established Argentine market, especially since the effect of such action on the outcome of the war is dubious.

There are indications that the British are not so much concerned with the immediate issue of fascist controls in Argentina as with the fundamental economic problem which gave rise to the present military government. Some British observers, taking a long view, believe that helping Argentina to a balanced economy will encourage democratic middle class elements to rise to the top. The question then arises whether the two governments are willing to take steps that will lead them out of the impasse occasioned by the unbalance of their trade with that country. Failure on the part of the two allies to collaborate in helping Argentina solve its problem may mean that the military government will turn to its neighbors to ease its economic situation. This extension of Argentine hegemony over the southern bloc of states might portend disaster for the continent.

OLIVE HOLMES